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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1944.

No. 382

SELCHOW & RIGHTER COMPANY,
Petitioner,

vs.

WESTERN PRINTING & LITHOGRAPHING COMPANY AND WHITMAN PUBLISHING COMPANY,
Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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BENJAMIN H. STERN,
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Of Counsel.

THE GUNTHORP-WARREN PRINTING COMPANY, 810 WEST JACKSON, CHICAGO

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SUMMARY STATEMENT OF MATTER INVOLVED.

Petitioner, in its summary statement, has limited itself to the several pleadings and the decision of the District Court. It would seem proper to set forth the basic facts and the real issues involved in this litigation:

Petitioner (plaintiff in the courts below) and predecessors for more than ten years prior to the passage of the 1905 Act manufactured and sold in this country a pursuit game under the mark "Parcheesi" and under such mark usually employed the words "A Royal Game of India". On or about October 8, 1918, Petitioner's predecessor registered the mark "Parcheesi" under Section 5 of the Trade-mark Act of 1905, declaring, as required by the

statute, that the mark "has been in actual use as a trademark of the applicant and applicant's predecessors from whom title was derived, for ten years next preceding February 20, 1905" (R. 811).

In about April of 1939 Defendants (Respondents) manufactured and distributed the same game packaged in blue and with a blue-covered playing board and designated it as:

"Parchesi
A Game of India."

Thereafter, Defendants discontinued the use of the word and dress above described and its assurances to desist were accepted by the District Court.

Upon motion of Petitioner in the District Court, before trial Respondents were enjoined from manufacturing and distributing the game in that form. The Circuit Court of Appeals on appeal from the order granting the preliminary injunction affirmed on the balance of injury and convenience theory (112 Fed. (2d) 430). The injunction was dissolved at the trial since, among other things, the evidence showed that Petitioner had not only been manufacturing and distributing a "blue" game, as appeared from the affidavits in support of the injunction, but had been manufacturing and selling the game under several different colors, dress and appearance (R. 769).

Before the trial of the issue, Defendants had begun to manufacture and distribute a game labeled:

"Whitman's
Pachisi
A Game of India"

dressed in a "red or orange" color with the words appearing in white letters, wholly distinctive from Petitioner's dress. It is the manufacture and distribution of the red or orange game with the imprint thereon "Whitman's Pachisi, A Game of India" that is at issue in this cause.

The word "pachisi" is the generic name of the game manufactured both by Petitioner and Respondents. The game originated in India hundreds of years ago and is well known as the national game of India. It was later introduced into this country.

There was no proof that Petitioner's mark "Parcheesi" has acquired a secondary significance. On the other hand, there was proof that the public accepted the word and understood the word only in its primary significance and the Trial Court finding to that effect (R. 774, 783) was approved in the Circuit Court of Appeals (R. 826).

The sole question at issue in this case and presented to the courts below is: where a registrant registers a mark generic to the merchandise to which it is attached, under the ten-year proviso of the 1905 Act, does such registration give to the registrant the exclusive use of such generic term, or may others make a proper use of such generic term in its primary sense?

It has long been settled under federal and local law that unless the registrant under the Act or user of a mark consisting of a surname, or a geographical term, or a generic or descriptive term, has acquired a secondary meaning for his mark, he has no exclusive use thereof, but others may use the same so long as they use reasonable

care to inform the public of the source of the product and differentiate their goods from those manufactured and sold by the user or registrant of the mark.

The petition for certiorari should be denied.

Respectfully submitted,

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ARGUMENT.

Proposition 1: We are in accord with Petitioner's proposition numbered (1), that under a registration pursuant to the Act of 1905 all questions involved in an action for infringement of trade-mark are Federal questions, but we disagree with Petitioner's implied conclusion that the lower courts were governed by "local law relating to common law trade-marks or unfair competition." The opinions below make it clear that the Federal law was applied.

Proposition 2: We are also in accord with Petitioner's proposition numbered (2), that after validating Petitioner's Federal registration, the court below should have applied the statutory tests of infringement. The courts below did so. Their opinions leave no doubt of this.

Both propositions being co-related, to avoid repetition, our discussion of them will be consolidated.

Petitioner's claim that the District Court and Circuit Court of Appeals applied "local law" and not "federal law" is entirely unfounded. Petitioner only creates confusion when in its proposition (1) (Pet. Br. p. 14) it states the courts' decision is "governed by Federal law and not by local law relating to common law trade-marks or unfair competition." No issue has arisen on that score except the illusion Petitioner attempts to create with improper juxtaposition of the words. The Federal law was applied.*

Under the common law, words consisting of (1) names of persons, (2) geographical names, (3) descriptive of the character (generic), or (4) descriptive of the quality, were

* Petitioner was of that same opinion when it filed in the Circuit Court of Appeals its Statement of Points upon which Plaintiff-Appellant intended to rely. It reads: "8. The District Court erred in not applying local law under the doctrine of *Erie* v. *Tompkins* to determine the substantive issues in this action (R. 789)."

not valid exclusive trade-marks, since others had a legitimate right to use them in their primary sense. (See *Armstrong Co.* v. *Nu-Enamel Corp.*, 305 U. S. 315, 335, and cases there cited.)

In the 1905 Act these several categories, denominated in the Act as "marks", were permitted registration upon proof of exclusive use thereof for ten years prior to the passage of the Act. However, such registration could not and did not give to the registrant exclusive use thereof. Others had the right to use the words in their primary sense so long as they did not mislead the public as to the origin and ownership of their goods.

The proposition of law is clearly stated by this court in *Thaddeus Davids Co.* v. *Davids Inc.*, 233 U. S. 461, and both the lower courts in the case at bar followed the precepts and principles therein established. That is the Federal Law on the subject. We beg leave to quote from pages 469-470 of the *Thaddeus Davids* opinion.

(In the quotation we will present in ordinary type that part quoted by petitioner (Pet. Br. p. 21), and in bold type we include that portion of the opinion omitted in Petitioner's brief, as there indicated by asterisks.)

> "This provision applies to all trade-marks that are within the act, including those which come under the ten-year clause, provided they are not used 'in unlawful business', or 'upon any article injurious in itself', or 'with the design of deceiving the public', and have not been 'abandoned' (§ 21).
>
> But, while this is true, the inquiry as to the extent of the right thus secured by the statute, in the case of marks which are admitted to registration under the ten-year clause, is not completely answered. **It is apparent that, with respect to names or terms coming within this class, there may be proper uses by others than the registrant even in connection with trade in similar goods. It would seem to be clear, for example,**

that the registration for which the statute provides was not designed to confer a monopoly of the use of surnames, or of geographical names, as such. It is not to be supposed that Congress intended to prevent one from using his own name in trade, or from making appropriate reference to the town or city in which his place of business is located; and we do not find it necessary to consider the question of the validity of such an attempt if one were made. Congress has admitted to registration the names or terms belonging to the class under consideration simply because of their prior use as trade-marks, although they had not been such in law. Their exclusive use as trade-marks for the stated period was deemed in the judgment of Congress a sufficient assurance that they had acquired a secondary meaning as the designation of the origin or ownership of the merchandise to which they were affixed. **And it was manifestly in this limited character only that they received statutory recognition, and, on registration, became entitled to protection under the act.**

In the case, therefore, of marks consisting of names or terms having a double significance, and being susceptible of legitimate uses with respect to their primary sense, the reproduction, copy or imitation which constitutes infringement must be such as is calculated to mislead the public with respect to the origin or ownership of the goods and thus to invade the right of the registrant to the use of the name or term as a designation of his merchandise. This we conceive to be the meaning of the statute."

It cannot be controverted that the court in the *Thaddeus Davids* case passed upon the propriety of the exclusive use by the Thaddeus Davids Co. of its registration of the surname "Davids" under the ten year proviso of the Act of 1905. We respectfully submit that, from a reading of the decision, it must be concluded that the court held:

(1) A mark consisting of an ordinary surname was not

the subject of exclusive appropriation as a common law trade-mark.[1]

(2) Under the ten-year proviso of the 1905 Act "marks" in the four categories above described were registerable on showing exclusive use by the registrant for ten years prior to the passage of the 1905 Act.

(3) Although registration was permitted by the statute of these marks, "it is apparent that, with respect to names or terms coming within this class, there may be proper uses by others than the registrant even in connection with trade in similar goods."[2]

(4) In the case of marks susceptible of legitimate uses in their primary sense, "infringement must be such as to mislead the public with respect to origin and ownership of goods."[2]

It would seem unnecessary to repeat the Summary Statement of Matter Involved in the case at bar to show applicability of the principles applied in the *Thaddeus Davids* case to it, but it would not be amiss to state that concededly Respondents do not use the dress, color or lettering of Petitioner's game but simply use the generic name of the game and in large letters identify Respondents as the manufacturer and distributor so that no possible confusion can exist respecting origin or ownership of the goods of Respondents.

The Circuit Court of Appeals properly quoted the District Court as saying that "the applicable tests in this case were the old common law rules of unfair competition." (142 F. 2d 709.) But by that statement neither of the courts said, or meant, or intended "local law" as Petitioner would have us believe. Both courts followed

1. 233 U. S. 464: "As the mark consisted of an ordinary surname, it was not the subject of exclusive appropriation as a common law trademark (*Brown Chemical Company* v. *Meyer*, 139 U. S. 540, 542; *Howe Scale Company* v. *Wyckoff*, 198 U. S. 118, 134, 135)."

2. 233 U. S., page 470.

strictly the precepts of the *Thaddeus Davids* opinion in this connection and used language approved by this court.

In the *Thaddeus Davids* opinion at page 469, Mr. Justice Hughes applied the statutory test of infringement, quoting from Section 16 of the Trade-mark Act, which states that one who shall "reproduce, counterfeit or copy or colorably imitate any such trade-mark" shall be liable for infringement.

Then, at page 471, the court construed this statutory language with respect to the four categories of "marks" and stated, in effect, that it means the ordinary rules of unfair competition without proof of wrongful intent to defraud or facts justifying the inference of such intent.

Here again, Petitioner's quotation (Pet. Br. p. 18) of what the Circuit Court of Appeals said (142 F. 2d 708-709) about the District Court's opinion requires amplification, and again we include in bold type the portion of the quotation omitted by Petitioner as indicated by asterisks.

> "**In Thaddeus Davids Co. v. Davids Mfg. Co., 233 U. S. 461, it was held that the Act of 1905 was not intended to change the common law principles of trademarks. The courts have held that the only rights given to the owner of a mark registered under the ten year clause which he did not have at common law are the right to institute suits for infringement in the federal courts irrespective of diversity of citizenship, and without the necessity of showing wrongful intent on the part of the defendant.** The District Court therefore concluded that the applicable tests in this case were the old common law rules of unfair competition with the exception of the requirement of proof of an attempt to defraud. See *Armstrong Paint and Varnish Works* v. *Nu-Enamel Corp.*, 305 U. S. 315. The ruling of the District Court in this respect, we think, was proper, and the only question left for determination is whether the plaintiff is entitled under the common law to exclude the defendant from the use of the word 'Pachisi'." (R. 826.)

From the foregoing it is conclusive that the Circuit Court of Appeals did not apply the "local law" but the Federal law. It repeated that the Thaddeus Davids case held, "the Act of 1905 was not intended to change the common law principles of trade-marks," but needless to say it was deciding the issues under the 1905 Act.

The term "common law" is quite different from the term "local law". The term "common law" is often and properly used to distinguish Federal case law from statutory law. There is ample and sufficient authority from this court justifying such use. (See *Armstrong Co.* v. *Nu-Enamel*, 305 U. S. 315, 335; *Western Union Telegraph Co.* v. *Call Publishing Co.*, 181 U. S. 92, 101, 102; *Kansas* v. *Colorado*, 206 U. S. 46, 96, 97.) The *Kansas* v. *Colorado* case, citing the *Western Union* case, said at page 96:

> "Can it be that the great multitude of interstate commercial transactions are freed from the burdens created by the common law as so defined, and are subject to no rule except that to be found in the statutes of Congress? We are clearly of opinion that this cannot be so, and that the principles of the common law are operative upon all interstate commercial transactions except so far as they are modified by Congressional enactment."

Since both lower courts did not apply "local law" to the issues presented in the case at bar, there is no conflict between the cases of, *Dwinell-Wright Co.* v. *National Fruit Products Co.*, 140 Fed. (2d) 618, which held (page 620):

> "The court below concluded that on the question of infringement of registered trade-marks the applicable law is federal statutory law, and where that is ambiguous or silent, federal case law, and we agree."

and *Philco Corp.* v. *Phillips Mfg. Co.*, 133 Fed. (2d) 633, and *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U. S. 173.

Pecheur Lozenge Co. v. *National Candy Co.*, 315 U. S.

666, is not applicable since the alleged trade-marks "Pay Roll" and "Cash Roll" are not in any of the four categories embraced in the ten year proviso of the Act.

This discussion, we submit, eliminates "Reasons Relied on for the Allowance of the Writ, Nos. 1, 2 and 5."

Reasons Nos. 3 and 4 simply require the statement that the *Thaddeus Davids* case did not discuss the proposition of secondary meaning, for it is difficult to fathom how the surname "Davids" could lose its primary meaning as a surname. Moreover, the court found as a fact that the Petitioner did not attain a secondary meaning for its "mark" (Finding 20, R. 783). A succinct discussion of what constitutes acquisition of secondary meaning appears in the *Shredded Wheat* case, *Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111, 118.

Dixi-Cola Laboratories v. *Coca-Cola Co.*, 117 F. 2d 352 (cert. d. 314 U. S. 629) is authority for the effect of a registration under the 1905 Act. The court said at page 353:

> "The District Judge concluded that these registrations were valid, but it is not necessary for us to decide the point here for, as the judge also held, the substantive rights under a trade-mark are not dependent upon or affected by registration, and its secondary, as distinguished from its primary significance, is still open to question. *Thaddeus Davids Co.* v. *Davids Mfg. Co.*, 233 U. S. 461, * * * (other cases)."

An even clearer statement of the rule appears in *Walgreen Drug Stores* v. *Obear-Nester Glass Co.*, 113 F. 2d 956 (cert. d. 311 U. S. 708), where the Court stated at page 960, referring to the 1905 Act:

> "Mere registration under the Federal Act does not create a trade-mark and confers no new rights to the mark claimed, nor, indeed, any greater rights than already existed at common law without registration."

This leaves only Reason No. 6, which will be discussed in the next proposition.

Proposition 3: Petitioner's mark "Parcheesi" is the generic term in connection with the merchandise with which it is used not only upon Respondents' evidence, but by Petitioner's own admissions, and even more important, "pachisi" is the generic term for Respondents' game.

In this proposition Petitioner is challenging a finding of fact of the District Court and affirmed by the Circuit Court in the following language (R. 824; 142 F. 2d 708):

> "The following facts are supported by substantial evidence, concerning which there is but little disagreement, if any.
>
> As early as 1869, a game similar to the plaintiff's 'Parcheesi' was played in India. It was then referred to as the national game of India, and was designated by a word of the language of that country which sounded very similar to 'Parcheesi,' or 'Patcheesi,' or 'Pachisi.' 'Pachisi' is the correct spelling of the Indian name."

We do not presume to know, and we challenge Petitioner's clairvoyance to conjecture, what testimony in the cause was regarded credible and what was rejected by the Trial Court. Suffice it to say that the evidence overwhelmingly supports the Court's finding that "pachisi" not only was, but still is, the generic term for the pursuit game manufactured by both litigants. Exhibit No. 5, (R. 659-698 introduced in evidence at R. 151), contains numerous generic references thereto running from Bayard Taylor's book "A Visit to India, China and Japan," published in this country in 1855, which reads (Item 22, R. 666):

> " 'Within these fairy precincts lie the gardens, still overrun with roses and jasmine vines, in the midst of which fountains are playing. There is also a court, paved with squares of black and white marble, so as to form a parchisi board. This is a game resembling backgammon, but, instead of ivory pieces, it was played on this colossal board by Akbar and his wives, or eunuchs, with girls, who trotted from square to square, as the moves were made."

to references in multifarious fiction, dictionaries and game books, down to the twentieth century, and in several languages. Defendants' Exhibit 6 (R. 699 to 701, introduced at R. 152), discloses a generic reference in the year 1800. Similar disclosures appear in other exhibits to and including Exhibit 22, and considerable other evidence, much of it published by Petitioner itself (R. 563, 645, 655, 659).

By its own application for registration Petitioner admitted that its mark was generic (R. 811). In the *Dixi-Cola case*, 117 F. 2d 352, 356, the court treated registration under the ten-year clause as an admission that the word was descriptive. In *Selchow et al.* v. *Chaffee & Selchow Mfg. Co.*, 132 Fed. 996, (at page 997) the court found that the name of the game might be pronounced "parchise," "pucheese" and "putcheese" and held that the defendant was not precluded from selling the game under its true and correct Hindu name.

Moreover, it does not become Petitioner to say Parcheesi or pachisi is not, as Petitioner has long advertised it, "A Game of India." Were that not the fact it would be in this court with unclean hands.

The case of *LeBlume Import Co.* v. *Coty*, 2 Cir., 293 Fed. 344, is not applicable. There the court found that the trade-mark "L'Origan" was not descriptive of the product with which it was used (page 351), and moreover, that the registrant's mark had attained secondary meaning (page 353).

It is interesting to note that the Supreme Court disagreed with the dicta of the Circuit Court of Appeals (Second Circuit), in the Coty case to the effect that words not generally known in this country are non-descriptive. In *United States* v. *Coca Cola Co.*, 241 U. S. 265, in replying to the contention that "coca" was not known to the

public and therefore non-descriptive, the court said at page 288:

> "Nor would it be controlling that at the time of the adoption of the name the coca plant was known only to foreigners and scientists, for if the name had appropriate reference to that plant and to substances derived therefor, its use would primarily be taken in that sense by those who did know or who took pains to inform themselves of its meaning. Mere ignorance on the part of others as to the nature of the composition would not change the descriptive character of the designation."

Coca-Cola Co. v. *Nashville Syrup Co.*, 215 Fed. 527, is not applicable. It held (page 530) that Coca Cola had acquired a secondary meaning.

We note with interest the statement in Petitioner's brief, that the Indians used cowry shells to play "pachisi", while in this country we use cube dice. Suffice it to say that their similarity even extends to the common quality that both can be "loaded" (R. 32).

This presentation dissolves Reason No. 6, and all of Petitioner's specifications of error fall from the foregoing discussion.

Respectfully submitted,

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